



Chesterfield County, Virginia Department of Planning

9901 Lori Road – P.O. Box 40 – Chesterfield, VA 23832-0040
Phone: (804) 748-1050 – Fax: (804) 717-6295 – Internet: chesterfield.gov

LETTER OF CREDIT SAMPLE FORMAT

Letters of credit must be submitted on bank letterhead. Drafts must be available either at a Richmond area location, or via fax.

County of Chesterfield, Virginia
Planning Department
P.O. Box 40
Chesterfield, VA 23832

RE: Irrevocable Letter of Credit

(Bank reference #)

(Date)

Gentlemen:

We hereby open our Irrevocable Letter of Credit No. _____ effective on _____
(Bank reference number) (Date)
in your favor for the account of _____,
(Customer name and address)
hereinafter referred to as the customer, for a sum not to exceed \$ _____ available by your sight drafts on
the _____, hereinafter referred to as the issuing bank.
(Name of financial institution)

The purpose of this letter of credit is to furnish the County of Chesterfield with surety for the construction of certain improvements required by the Code of Chesterfield County and/or conditions imposed by the Planning Commission, Board of Supervisors or Board of Zoning Appeals on a parcel of land located at or near _____,
(Address, Tax Map Number, or general location)
and more fully shown on a site plan or similar documents thereof entitled _____, prepared by _____ and dated _____
(Title of Plans) (Company that produced plans)

(most recent revision date on plans)

The face amount of this letter of credit consists of the following estimated costs of improvements required to be installed on the aforementioned site:

| List Required Improvements | Amount of Improvement |
|----------------------------|-----------------------|
| | \$ |
| | \$ |
| | \$ |

Drafts hereon shall be promptly honored when accompanied by documents specified below:

1. A certified statement signed by an official of Chesterfield County stating that the customer has not satisfactorily installed and maintained, or caused to be installed or maintained, the improvements designated on the aforementioned plan and as required by the Code of Chesterfield County, the approved construction plans and any conditions imposed by the Planning Commission, Board of Supervisors and/or Board of Zoning Appeals.
2. A certified statement signed by an official of Chesterfield County to the effect that the drawing is for the explicit purpose of providing for the completion of the improvements designated on the aforementioned plan pursuant to the terms of the Code of Chesterfield County and any amendments thereto.
3. All drafts must bear the clause "Drawn under the _____
(Name of financial institution)
letter of credit no. _____ dated _____ .
(Bank reference number) (Date)

We hereby engage with drawers, endorsers and bona fide holders that all drafts drawn in compliance with the terms of this credit shall be duly honored upon presentation and delivery of the documents. This Irrevocable Letter of Credit shall remain in full force and effect for an initial period of:

(choose one)

1. One (1) year from the effective date hereof, ending at _____ on _____ ; or,
(Time) (Date)
2. _____ days from the effective date hereof, ending at _____ on _____ , which is the
(# of Days) (Time) (Date)
proposed completion date for the aforementioned improvements.

This letter of credit shall renew itself automatically from year to year thereafter unless and until the issuing bank shall give ninety (90) days prior written notice to the customer and to the Board of Supervisors of Chesterfield County, Virginia, by certified mail return receipt requested of its intent to terminate the same at the expiration of the ninety (90) day period. During the last thirty (30) days during which this letter of credit is in full force and effect, the County may draw up to the full amount of the sum when the draft is accompanied by the above described certified document stating that the customer has not completed the required improvements and has not provided the County with an acceptable substitute Irrevocable Letter of Credit or documents stating that the drawing is for the explicit purpose of guaranteeing and/or providing for the completion of the improvements. This Irrevocable Letter of Credit may be terminated upon the County giving a written release to the customer and to the issuing bank that the

customer has installed and maintained all the required improvements to the aforementioned site in compliance with the Code of Chesterfield County and the requirements of the Planning Commission, Board of Supervisors and/or Board of Zoning Appeals.

This Irrevocable Letter of Credit may also be terminated upon the County giving a written release to the customer and to the issuing bank that the customer has either:

1. Constructed a portion of the required improvements within the aforementioned site in compliance with the Code of the County of Chesterfield and the requirements of the Planning Commission, Board of Supervisors and/or the Board of Zoning Appeals.
2. Paid the construction costs of such improvements to a third party and has certified such fact to the County;

and has furnished the County with surety in an amount sufficient for and conditioned upon the construction of the remainder of such improvements.

This Irrevocable Letter of Credit is non-transferable or assignable by the issuing bank, beneficiary or customer.

This Irrevocable Letter of Credit shall be construed according to the "Uniform Customs and Practices f or Commercial Documentary Credits," promulgated by the XIII Congress of the International Chamber of Commerce (International Chamber of Congress Brochure No. 400, 1983 Revision) and the provisions of the Uniform Commercial Code - Letters of Credit, Title 8.5 of the Code of Virginia, 1950, as amended.

Very truly yours,

By: _____

Title: _____

(Vice-President or President)